

State of Arizona  
Senate  
Forty-eighth Legislature  
Second Regular Session  
2008

# SENATE BILL 1032

AN ACT

AMENDING SECTIONS 15-341, 15-2022 AND 15-2031, ARIZONA REVISED STATUTES;  
RELATING TO THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-341, Arizona Revised Statutes, is amended to  
3 read:

4 15-341. General powers and duties; immunity; delegation

5 A. The governing board shall:

6 1. Prescribe and enforce policies and procedures for the governance of  
7 the schools, not inconsistent with law or rules prescribed by the state board  
8 of education.

9 2. Maintain the schools established by it for the attendance of each  
10 pupil for a period of not less than one hundred seventy-five school days or  
11 two hundred school days, as applicable, or its equivalent as approved by the  
12 superintendent of public instruction for a school district operating on a  
13 year-round operation basis, to offer an educational program on the basis of a  
14 four day school week or to offer an alternative kindergarten program on the  
15 basis of a three day school week, in each school year, and if the funds of  
16 the district are sufficient, for a longer period, and as far as practicable  
17 with equal rights and privileges.

18 3. Exclude from schools all books, publications, papers or audiovisual  
19 materials of a sectarian, partisan or denominational character.

20 4. Manage and control the school property within its district.

21 5. Acquire school furniture, apparatus, equipment, library books and  
22 supplies for the use of the schools.

23 6. Prescribe the curricula and criteria for the promotion and  
24 graduation of pupils as provided in sections 15-701 and 15-701.01.

25 7. Furnish, repair and insure, at full insurable value, the school  
26 property of the district.

27 8. Construct school buildings on approval by a vote of the district  
28 electors.

29 9. Make in the name of the district conveyances of property belonging  
30 to the district and sold by the board.

31 10. Purchase school sites when authorized by a vote of the district at  
32 an election conducted as nearly as practicable in the same manner as the  
33 election provided in section 15-481 and held on a date prescribed in section  
34 15-491, subsection E, but such authorization shall not necessarily specify  
35 the site to be purchased and such authorization shall not be necessary to  
36 exchange unimproved property as provided in section 15-342, paragraph 23.

37 11. Construct, improve and furnish buildings used for school purposes  
38 when such buildings or premises are leased from the national park service.

39 12. Purchase school sites or construct, improve and furnish school  
40 buildings from the proceeds of the sale of school property only on approval  
41 by a vote of the district electors.

42 13. Hold pupils to strict account for disorderly conduct on school  
43 property.

44 14. Discipline students for disorderly conduct on the way to and from  
45 school.

1       15. Except as provided in section 15-1224, deposit all monies received  
2 by the district as gifts, grants and devises with the county treasurer who  
3 shall credit the deposits as designated in the uniform system of financial  
4 records. If not inconsistent with the terms of the gifts, grants and devises  
5 given, any balance remaining after expenditures for the intended purpose of  
6 the monies have been made shall be used for reduction of school district  
7 taxes for the budget year, except that in the case of accommodation schools  
8 the county treasurer shall carry the balance forward for use by the county  
9 school superintendent for accommodation schools for the budget year.

10       16. Provide that, if a parent or legal guardian chooses not to accept a  
11 decision of the teacher as provided in section 15-521, paragraph 3, the  
12 parent or legal guardian may request in writing that the governing board  
13 review the teacher's decision. Nothing in this paragraph shall be construed  
14 to release school districts from any liability relating to a child's  
15 promotion or retention.

16       17. Provide for adequate supervision over pupils in instructional and  
17 noninstructional activities by certificated or noncertificated personnel.

18       18. Use school monies received from the state and county school  
19 apportionment exclusively for payment of salaries of teachers and other  
20 employees and contingent expenses of the district.

21       19. Make an annual report to the county school superintendent on or  
22 before October 1 each year in the manner and form and on the blanks  
23 prescribed by the superintendent of public instruction or county school  
24 superintendent. The board shall also make reports directly to the county  
25 school superintendent or the superintendent of public instruction whenever  
26 required.

27       20. Deposit all monies received by school districts other than student  
28 activities monies or monies from auxiliary operations as provided in sections  
29 15-1125 and 15-1126 with the county treasurer to the credit of the school  
30 district except as provided in paragraph 21 of this subsection and sections  
31 15-1223 and 15-1224, and the board shall expend the monies as provided by law  
32 for other school funds.

33       21. Establish a bank account in which the board during a month may  
34 deposit miscellaneous monies received directly by the district. The board  
35 shall remit monies deposited in the bank account at least monthly to the  
36 county treasurer for deposit as provided in paragraph 20 of this subsection  
37 and in accordance with the uniform system of financial records.

38       22. Employ an attorney admitted to practice in this state whose  
39 principal practice is in the area of commercial real estate, or a real estate  
40 broker who is licensed by this state and who is employed by a reputable  
41 commercial real estate company, to negotiate a lease of five or more years  
42 for the school district if the governing board decides to enter into a lease  
43 of five or more years as lessor of school buildings or grounds as provided in  
44 section 15-342, paragraph 7 or 10. Any lease of five or more years  
45 negotiated pursuant to this paragraph shall provide that the lessee is

1 responsible for payment of property taxes pursuant to the requirements of  
2 section 42-11104.

3 23. Prescribe and enforce policies and procedures for disciplinary  
4 action against a teacher who engages in conduct that is a violation of the  
5 policies of the governing board but that is not cause for dismissal of the  
6 teacher or for revocation of the certificate of the teacher. Disciplinary  
7 action may include suspension without pay for a period of time not to exceed  
8 ten school days. Disciplinary action shall not include suspension with pay  
9 or suspension without pay for a period of time longer than ten school days.  
10 The procedures shall include notice, hearing and appeal provisions for  
11 violations that are cause for disciplinary action. The governing board may  
12 designate a person or persons to act on behalf of the board on these matters.

13 24. Prescribe and enforce policies and procedures for disciplinary  
14 action against an administrator who engages in conduct that is a violation of  
15 the policies of the governing board regarding duties of administrators but  
16 that is not cause for dismissal of the administrator or for revocation of the  
17 certificate of the administrator. Disciplinary action may include suspension  
18 without pay for a period of time not to exceed ten school days. Disciplinary  
19 action shall not include suspension with pay or suspension without pay for a  
20 period of time longer than ten school days. The procedures shall include  
21 notice, hearing and appeal provisions for violations that are cause for  
22 disciplinary action. The governing board may designate a person or persons  
23 to act on behalf of the board on these matters. For violations that are  
24 cause for dismissal, the provisions of notice, hearing and appeal in chapter  
25 5, article 3 of this title shall apply. The filing of a timely request for a  
26 hearing suspends the imposition of a suspension without pay or a dismissal  
27 pending completion of the hearing.

28 25. Notwithstanding section 13-3108, prescribe and enforce policies and  
29 procedures that prohibit a person from carrying or possessing a weapon on  
30 school grounds unless the person is a peace officer or has obtained specific  
31 authorization from the school administrator.

32 26. Prescribe and enforce policies and procedures relating to the  
33 health and safety of all pupils participating in district sponsored practice  
34 sessions, games or other interscholastic athletic activities, including the  
35 provision of water.

36 27. Prescribe and enforce policies and procedures regarding the smoking  
37 of tobacco within school buildings. The policies and procedures shall be  
38 adopted in consultation with school district personnel and members of the  
39 community and shall state whether smoking is prohibited in school buildings.  
40 If smoking in school buildings is not prohibited, the policies and procedures  
41 shall clearly state the conditions and circumstances under which smoking is  
42 permitted, those areas in a school building that may be designated as smoking  
43 areas and those areas in a school building that may not be designated as  
44 smoking areas.

1       28. Establish an assessment, data gathering and reporting system as  
2 prescribed in chapter 7, article 3 of this title.

3       29. Provide special education programs and related services pursuant to  
4 section 15-764, subsection A to all children with disabilities as defined in  
5 section 15-761.

6       30. Administer competency tests prescribed by the state board of  
7 education for the graduation of pupils from high school.

8       31. Secure insurance coverage for all construction projects for  
9 purposes of general liability, property damage and workers' compensation and  
10 secure performance and payment bonds for all construction projects.

11       32. Keep on file the resumes of all current and former employees who  
12 provide instruction to pupils at a school. Resumes shall include an  
13 individual's educational and teaching background and experience in a  
14 particular academic content subject area. A school district shall inform  
15 parents and guardians of the availability of the resume information and shall  
16 make the resume information available for inspection on request of parents  
17 and guardians of pupils enrolled at a school. Nothing in this paragraph  
18 shall be construed to require any school to release personally identifiable  
19 information in relation to any teacher or employee, including the teacher's  
20 or employee's address, salary, social security number or telephone number.

21       33. Report to local law enforcement agencies any suspected crime  
22 against a person or property that is a serious offense as defined in section  
23 13-604 or that involves a deadly weapon or dangerous instrument or serious  
24 physical injury and any conduct that poses a threat of death or serious  
25 physical injury to employees, students or anyone on the property of the  
26 school. This paragraph does not limit or preclude the reporting by a school  
27 district or an employee of a school district of suspected crimes other than  
28 those required to be reported by this paragraph. For the purposes of this  
29 paragraph, "dangerous instrument", "deadly weapon" and "serious physical  
30 injury" have the same ~~meaning~~ MEANINGS prescribed in section 13-105.

31       34. In conjunction with local law enforcement agencies and local  
32 medical facilities, develop an emergency response plan for each school in the  
33 school district in accordance with minimum standards developed jointly by the  
34 department of education and the division of emergency management within the  
35 department of emergency and military affairs.

36       35. Annually assign at least one school district employee to  
37 participate in a multihazard crisis training program developed or selected by  
38 the governing board.

39       36. Provide written notice to the parents or guardians of all students  
40 affected in the school district at least thirty days prior to a public  
41 meeting to discuss closing a school within the school district. The notice  
42 shall include the reasons for the proposed closure and the time and place of  
43 the meeting. The governing board shall fix a time for a public meeting on  
44 the proposed closure no less than thirty days before voting in a public  
45 meeting to close the school. The school district governing board shall give

1 notice of the time and place of the meeting. At the time and place  
2 designated in the notice, the school district governing board shall hear  
3 reasons for or against closing the school. The school district governing  
4 board is exempt from this paragraph if it is determined by the governing  
5 board that the school shall be closed because it poses a danger to the health  
6 or safety of the pupils or employees of the school.

7 37. Incorporate instruction on Native American history into appropriate  
8 existing curricula.

9 38. Prescribe and enforce policies and procedures allowing pupils who  
10 have been diagnosed with anaphylaxis by a health care provider licensed  
11 pursuant to title 32, chapter 13, 14, 17 or 25 or by a registered nurse  
12 practitioner licensed and certified pursuant to title 32, chapter 15 to carry  
13 and self-administer emergency medications including auto-injectable  
14 epinephrine while at school and at school sponsored activities. The pupil's  
15 name on the prescription label on the medication container or on the  
16 medication device and annual written documentation from the pupil's parent or  
17 guardian to the school that authorizes possession and self-administration is  
18 sufficient proof that the pupil is entitled to the possession and  
19 self-administration of the medication. The policies shall require a pupil  
20 who uses auto-injectable epinephrine while at school and at school sponsored  
21 activities to notify the nurse or the designated school staff person of the  
22 use of the medication as soon as practicable. A school district and its  
23 employees are immune from civil liability with respect to all decisions made  
24 and actions taken that are based on good faith implementation of the  
25 requirements of this paragraph, except in cases of wanton or wilful neglect.

26 39. Allow the possession and self-administration of prescription  
27 medication for breathing disorders in handheld inhaler devices, by pupils  
28 who have been prescribed that medication by a health care professional  
29 licensed pursuant to title 32. The pupil's name on the prescription label on  
30 the medication container or on the handheld inhaler device and annual written  
31 documentation from the pupil's parent or guardian to the school that  
32 authorizes possession and self-administration shall be sufficient proof that  
33 the pupil is entitled to the possession and self-administration of the  
34 medication. A school district and its employees are immune from civil  
35 liability with respect to all decisions made and actions taken that are based  
36 on a good faith implementation of the requirements of this paragraph.

37 40. Prescribe and enforce policies and procedures to prohibit pupils  
38 from harassing, intimidating and bullying other pupils on school grounds, on  
39 school property, on school buses, at school bus stops and at school sponsored  
40 events and activities that include the following components:

41 (a) A procedure for pupils to confidentially report to school  
42 officials incidents of harassment, intimidation or bullying.

43 (b) A procedure for parents and guardians of pupils to submit written  
44 reports to school officials of suspected incidents of harassment,  
45 intimidation or bullying.

1 (c) A requirement that school district employees report suspected  
2 incidents of harassment, intimidation or bullying to the appropriate school  
3 official.

4 (d) A formal process for the documentation of reported incidents of  
5 harassment, intimidation or bullying, except that no documentation shall be  
6 maintained unless the harassment, intimidation or bullying has been proven.

7 (e) A formal process for the investigation by the appropriate school  
8 officials of suspected incidents of harassment, intimidation or bullying.

9 (f) Disciplinary procedures for pupils who have admitted or been found  
10 to have committed incidents of harassment, intimidation or bullying.

11 (g) A procedure that sets forth consequences for submitting false  
12 reports of incidents of harassment, intimidation or bullying.

13 41. Prescribe and enforce policies and procedures regarding changing or  
14 adopting attendance boundaries that include the following components:

15 (a) A procedure for holding public meetings to discuss attendance  
16 boundary changes or adoptions that allows public comments.

17 (b) A procedure to notify the parents or guardians of the students  
18 affected.

19 (c) A procedure to notify the residents of the households affected by  
20 the attendance boundary changes.

21 (d) A process for placing public meeting notices and proposed maps on  
22 the school district's website for public review, if the school district  
23 maintains a website.

24 (e) A formal process for presenting the attendance boundaries of the  
25 affected area in public meetings that allows public comments.

26 (f) A formal process for notifying the residents and parents or  
27 guardians of the affected area as to the decision of the governing board on  
28 the school district's website, if the school district maintains a website.

29 (g) A formal process for updating attendance boundaries on the school  
30 district's website within ninety days of an adopted boundary change. The  
31 school district shall send a direct link to the school district's attendance  
32 boundaries website to the department of real estate.

33 (h) If the land that a school was built on was donated within the past  
34 five years, a formal process to notify the entity ~~who~~ THAT donated the land  
35 affected by the decision of the governing board.

36 B. Notwithstanding subsection A, paragraphs 8, 10 and 12 of this  
37 section, the county school superintendent may construct, improve and furnish  
38 school buildings or purchase or sell school sites in the conduct of an  
39 accommodation school.

40 C. If any school district acquires real or personal property, whether  
41 by purchase, exchange, condemnation, gift or otherwise, the governing board  
42 shall pay to the county treasurer any taxes on the property that were unpaid  
43 as of the date of acquisition, including penalties and interest. The lien  
44 for unpaid delinquent taxes, penalties and interest on property acquired by a  
45 school district:

1           1. Is not abated, extinguished, discharged or merged in the title to  
2 the property.

3           2. Is enforceable in the same manner as other delinquent tax liens.

4           D. The governing board may not locate a school on property that is  
5 less than one-fourth mile from agricultural land regulated pursuant to  
6 section 3-365, except that the owner of the agricultural land may agree to  
7 comply with the buffer zone requirements of section 3-365. If the owner  
8 agrees in writing to comply with the buffer zone requirements and records the  
9 agreement in the office of the county recorder as a restrictive covenant  
10 running with the title to the land, the school district may locate a school  
11 within the affected buffer zone. The agreement may include any stipulations  
12 regarding the school, including conditions for future expansion of the school  
13 and changes in the operational status of the school that will result in a  
14 breach of the agreement.

15           E. A school district, its governing board members, its school council  
16 members and its employees are immune from civil liability for the  
17 consequences of adoption and implementation of policies and procedures  
18 pursuant to subsection A of this section and section 15-342. This waiver  
19 does not apply if the school district, its governing board members, its  
20 school council members or its employees are guilty of gross negligence or  
21 intentional misconduct.

22           F. A governing board may delegate in writing to a superintendent,  
23 principal or head teacher the authority to prescribe procedures that are  
24 consistent with the governing board's policies.

25           G. Notwithstanding any other provision of this title, a school  
26 district governing board shall not take any action that would result in ~~an~~  
27 ~~immediate reduction or~~ a reduction ~~within three years~~ of pupil square footage  
28 ~~that would cause the school district to fall below the minimum adequate gross~~  
29 ~~square footage requirements prescribed in section 15-2011, subsection C,~~  
30 unless the governing board notifies the school facilities board established  
31 by section 15-2001 of the proposed action and receives written approval from  
32 the school facilities board to take the action. A reduction includes an  
33 increase in administrative space that results in a reduction of pupil square  
34 footage or sale of school sites or buildings, or both. A reduction includes  
35 a reconfiguration of grades that results in a reduction of pupil square  
36 footage of any grade level. This subsection does not apply to temporary  
37 reconfiguration of grades to accommodate new school construction if the  
38 temporary reconfiguration does not exceed one year. The sale of equipment  
39 that results in ~~an immediate reduction or~~ a reduction ~~within three years~~ that  
40 falls below the equipment requirements prescribed in section 15-2011,  
41 subsection B is subject to commensurate withholding of school district  
42 capital outlay revenue limit monies pursuant to the direction of the school  
43 facilities board. Except as provided in section 15-342, paragraph 10,  
44 proceeds from the sale of school sites, buildings or other equipment shall be  
45 deposited in the school plant fund as provided in section 15-1102.



1 H. Subsections C through G of this section apply to a county board of  
2 supervisors and a county school superintendent when operating and  
3 administering an accommodation school.

4 I. Until the state board of education and the auditor general adopt  
5 rules pursuant to section 15-213, subsection I, a school district may procure  
6 construction services, including services for new school construction  
7 pursuant to section 15-2041, by the construction-manager-at-risk,  
8 design-build and job-order-contracting methods of project delivery as  
9 provided in title 41, chapter 23, except that the rules adopted by the  
10 director of the department of administration do not apply to procurements  
11 pursuant to this subsection. Any procurement commenced pursuant to this  
12 subsection may be completed pursuant to this subsection.

13 J. IF A TAXPAYER DONATES REAL PROPERTY PURSUANT TO SECTION 43-1089.02  
14 FOR USE AS A SCHOOL SITE OR AS A SITE FOR THE CONSTRUCTION OF A SCHOOL, THE  
15 GOVERNING BOARD SHALL DETERMINE THE FOLLOWING AT A PUBLIC MEETING BEFORE THE  
16 TRANSFER OF THE REAL PROPERTY TO THE SCHOOL DISTRICT IS FINALIZED:

- 17 1. THE AMOUNT OF THE REAL PROPERTY TO BE DONATED.
- 18 2. THE AMOUNT OF THE REAL PROPERTY THAT MAY BE USED FOR NONSCHOOL
- 19 PURPOSES.
- 20 3. ANY USE RESTRICTIONS THAT PERTAIN TO THE REAL PROPERTY.
- 21 4. THE SCHOOL ATTENDANCE BOUNDARIES FOR THE NEW SCHOOL OR SCHOOLS.
- 22 5. THE ENROLLMENT PROJECTIONS FOR THE NEW SCHOOL OR SCHOOLS.
- 23 6. THE GRADE LEVEL CONFIGURATIONS FOR THE NEW SCHOOL OR SCHOOLS.
- 24 7. OPEN ENROLLMENT POLICIES FOR THE NEW SCHOOL OR SCHOOLS AND ANY
- 25 CHANGES TO THE OPEN ENROLLMENT POLICIES OF THE SCHOOL DISTRICT AS A RESULT OF
- 26 THE ADDITION OF THE NEW SCHOOL OR SCHOOLS TO THE SCHOOL DISTRICT.
- 27 8. ANY NAMING RIGHTS THAT MAY BE AWARDED FOR THE NEW SCHOOL OR
- 28 SCHOOLS.
- 29 9. ANY REVERSION RIGHTS THAT PERTAIN TO THE DONATION OF THE REAL
- 30 PROPERTY, INCLUDING REVERSION FOR FAILURE TO COMPLY WITH THE PROVISIONS OF
- 31 THIS SUBSECTION.
- 32 10. THE TIME FRAME OF THE DONATION.
- 33 11. THE TENTATIVE TIME FRAME FOR CONSTRUCTION PROJECTS ON THE REAL
- 34 PROPERTY.
- 35 12. THE TENTATIVE TIME FRAME CONCERNING THE APPLICABILITY OF THE TAX
- 36 CREDIT FOR THE DONATION OF THE REAL PROPERTY.
- 37 13. THE AMOUNT OF FUNDING, IF ANY, THAT WILL BE PROVIDED BY THE SCHOOL
- 38 FACILITIES BOARD.
- 39 14. ANY OTHER INFORMATION DEEMED NECESSARY BY THE SCHOOL DISTRICT
- 40 GOVERNING BOARD OR THE DONOR.

41 Sec. 2. Section 15-2022, Arizona Revised Statutes, is amended to read:  
42 15-2022. Emergency deficiencies correction fund; definition

43 A. An emergency deficiencies correction fund is established consisting  
44 of monies transferred from ~~the deficiencies correction fund established by~~  
45 ~~section 15-2021 or~~ the new school facilities fund established by section

1 15-2041. The school facilities board shall administer the fund and  
2 distribute monies in accordance with the rules of the school facilities board  
3 to school districts for emergency purposes. The school facilities board  
4 shall not transfer monies from ~~the deficiencies correction fund and~~ the new  
5 school facilities fund if the transfer will affect, interfere with, disrupt  
6 or reduce any capital projects that the school facilities board has approved  
7 pursuant to ~~sections 15-2021 and~~ SECTION 15-2041. The school facilities  
8 board shall transfer to the emergency deficiencies correction fund the amount  
9 necessary each fiscal year to fulfill the requirements of this section.  
10 Monies in the fund are continuously appropriated and are exempt from the  
11 provisions of section 35-190 relating to lapsing of appropriations.

12 B. If the school facilities board determines that there are  
13 insufficient monies in the emergency deficiencies correction fund to correct  
14 an emergency, the school district may correct the emergency pursuant to  
15 section 15-907.

16 C. If a school district has an emergency, the school district shall  
17 apply to the school facilities board for funding for the emergency. The  
18 school district's application shall disclose any insurance or building  
19 renewal monies available to the school district to pay for the emergency.

20 D. The school facilities board staff shall ~~notify~~ ACKNOWLEDGE RECEIPT  
21 OF the school ~~district of the staff's recommendation~~ DISTRICT'S APPLICATION  
22 FOR EMERGENCY DEFICIENCIES FUNDING IN WRITING within five business days of  
23 receiving the application. The school facilities board STAFF shall ~~decide on~~  
24 ~~the staff's recommendation for funding at the next scheduled school~~  
25 ~~facilities board meeting~~ INCLUDE IN THE WRITTEN ACKNOWLEDGEMENT OF RECEIPT TO  
26 THE SCHOOL DISTRICT ANY INVESTIGATIVE, STUDY OR INFORMATIONAL REQUIREMENTS  
27 FROM THE SCHOOL DISTRICT, ALONG WITH AN ESTIMATED TIMELINE TO COMPLETE THE  
28 REQUIREMENTS, NECESSARY FOR THE SCHOOL FACILITIES BOARD STAFF TO MAKE A  
29 RECOMMENDATION FOR FUNDING TO THE SCHOOL FACILITIES BOARD.

30 E. For the purposes of this section, "emergency" means a serious need  
31 for materials, services or construction or expenses in excess of the  
32 district's adopted budget for the current fiscal year and that seriously  
33 threaten the functioning of the school district, the preservation or  
34 protection of property or public health, welfare or safety.

35 Sec. 3. Section 15-2031, Arizona Revised Statutes, is amended to read:  
36 15-2031. Building renewal fund; definitions

37 A. A building renewal fund is established consisting of monies  
38 appropriated by the legislature. The school facilities board shall  
39 administer the fund and distribute monies to school districts for the purpose  
40 of maintaining the adequacy of existing school facilities. Monies in the  
41 fund are continuously appropriated and are exempt from the provisions of  
42 section 35-190 relating to lapsing of appropriations.

43 B. The school facilities board shall inventory and inspect all school  
44 buildings in this state in order to develop a database to administer the  
45 building renewal formula. The database shall include the student capacity of

1 the building as determined by the school facilities board. The board shall  
2 distribute monies from the building renewal fund to school districts in an  
3 amount computed pursuant to subsection I of this section. A school district  
4 that receives monies from the building renewal fund shall use the monies  
5 first for any projects that fall below the minimum school facility adequacy  
6 guidelines, as adopted by the school facilities board pursuant to section  
7 15-2011, and that are part of any buildings in the database and second for  
8 any other projects that are part of any buildings owned by the school  
9 district for any of the following:

10 1. Major renovations and repairs of a building.  
11 2. Upgrading systems and areas that will maintain or extend the useful  
12 life of the building.

13 3. Infrastructure costs.

14 4. Relocation and placement of portable and modular buildings.

15 C. Monies received from the building renewal fund shall be used for  
16 primary projects, unless only secondary projects exist.

17 D. Notwithstanding subsections B and C of this section, school  
18 districts shall use building renewal monies on secondary projects to comply  
19 with building, health, fire or safety codes. Before spending building  
20 renewal monies on secondary projects to comply with building, health, fire or  
21 safety codes, the school facilities board shall approve the projects.

22 E. Monies received from the building renewal fund shall not be used  
23 for any of the following purposes:

24 1. New construction.

25 2. Remodeling interior space for aesthetic or preferential reasons.

26 3. Exterior beautification.

27 4. Demolition.

28 5. The purchase of soft capital items pursuant to section 15-962,  
29 subsection D.

30 6. Routine maintenance except as provided in section 15-2002,  
31 subsection K and subsection L of this section.

32 F. The school facilities board shall maintain the building renewal  
33 database and use the database for the computation of the building renewal  
34 formula distributions. The board shall ensure that the database is updated  
35 on at least an annual basis to reflect changes in the ages and value of  
36 school buildings. The facilities listed in the database shall include only  
37 those buildings that are owned by school districts that are required to meet  
38 academic standards. Each school district shall report to the school  
39 facilities board no later than ~~September 1~~ OCTOBER 15 of each year the number  
40 and type of school buildings owned by the district, the square footage of  
41 each building, the age of each building, the nature of any renovations  
42 completed and the cost of any renovations completed. The school facilities  
43 board may review or audit, or both, to confirm the information submitted by a  
44 school district. The board shall adjust the age of each school facility in  
45 the database whenever a building is significantly upgraded or remodeled. The

1 age of a building that has been significantly upgraded or remodeled shall be  
2 recomputed as follows:

3 1. Divide the cost of the renovation by the building capacity value of  
4 the building determined in subsection I, paragraph 3 of this section.

5 2. Multiply the quotient determined in paragraph 1 of this subsection  
6 by the currently listed age of the building in the database.

7 3. Subtract the product determined in paragraph 2 of this subsection  
8 from the currently listed age of the building in the database, rounded to the  
9 nearest whole number. If the result is negative, use zero.

10 G. The school facilities board shall submit an annual report to the  
11 president of the senate, the speaker of the house of representatives, the  
12 Arizona state library, archives and public records and the governor by  
13 October 1 that includes the computation of the amount of monies to be  
14 distributed from the building renewal fund for the current fiscal year. The  
15 joint committee on capital review shall review the school facilities board's  
16 calculation of the building renewal fund distributions. After the joint  
17 committee on capital review reviews the distributions computed by the school  
18 facilities board, the school facilities board shall distribute the monies  
19 from the building renewal fund to school districts in two equal installments  
20 in November and May of each year.

21 H. School districts that receive monies from the building renewal fund  
22 shall establish a district building renewal fund and shall use the monies in  
23 the district building renewal fund only for the purposes prescribed in  
24 subsection B of this section. Ending cash balances in a school district's  
25 building renewal fund may be used in following fiscal years for building  
26 renewal pursuant to subsection B of this section. By October 15 of each  
27 year, each school district shall report to the school facilities board the  
28 projects funded at each school in the previous fiscal year with monies from  
29 the district building renewal fund, including the amount of expenditures  
30 dedicated to primary projects and to secondary projects. On receipt of these  
31 reports, the school facilities board shall forward this information to the  
32 joint legislative budget committee staff and the governor's office of  
33 strategic planning and budgeting staff. Each school district shall also  
34 report to the school facilities board an accounting of the monies remaining  
35 in the district building renewal fund at the end of the previous fiscal year  
36 and a comprehensive three year plan that details the proposed use of building  
37 renewal monies. If a school district fails to submit the report by October  
38 15 OR THE INFORMATION REQUIRED BY SUBSECTION F OF THIS SECTION, the school  
39 facilities board shall withhold building renewal monies from the school  
40 district until the school facilities board determines that the school  
41 district has complied with the reporting requirement. When the school  
42 facilities board determines that the school district has complied with the  
43 reporting requirement, the school facilities board shall restore the full  
44 amount of withheld building renewal monies to the school district.

1 I. Notwithstanding any other provision of this chapter, if a school  
2 district converts space that is listed in the database maintained pursuant to  
3 this section to space that will be used for administrative purposes, the  
4 school district is responsible for any costs associated with the conversion,  
5 maintenance and replacement of that space. The building renewal amount for  
6 each school building shall be computed as follows:

7 1. Divide the age of the building as computed pursuant to subsection F  
8 of this section by one thousand two hundred seventy-five or, in the case of  
9 modular or portable buildings, by two hundred ten.

10 2. Multiply the quotient determined in paragraph 1 of this subsection  
11 by 0.67.

12 3. Determine the building capacity value as follows:

13 (a) Multiply the student capacity of the building by the per student  
14 square foot capacity established by section 15-2041.

15 (b) Multiply the product determined in subdivision (a) by the cost per  
16 square foot established by section 15-2041.

17 4. Multiply the product determined in paragraph 2 of this subsection  
18 by the product determined in paragraph 3, subdivision (b) of this subsection.

19 J. If the school facilities board determines that a school district  
20 has spent monies from the building renewal fund for purposes other than those  
21 prescribed in subsection B of this section, the school facilities board shall  
22 notify the superintendent of public instruction. Notwithstanding any other  
23 law, the superintendent of public instruction shall withhold a corresponding  
24 amount from the monies that would otherwise be due the school district under  
25 the capital outlay revenue limit until these monies are repaid.

26 K. Beginning on July 1, 2002, a school district is not entitled to  
27 receive monies from the building renewal fund for any buildings that are to  
28 be replaced with new buildings that are funded with deficiencies corrections  
29 monies. The replacement buildings are not eligible to receive building  
30 renewal funding until the fiscal year following the completion of the  
31 building.

32 L. Notwithstanding subsections B and E of this section, a school  
33 district may use eight per cent of the building renewal amount computed  
34 pursuant to subsection I of this section for routine preventative  
35 maintenance. The board, after consultation with maintenance specialists in  
36 school districts, shall provide examples of recommended services that are  
37 routine preventative maintenance.

38 M. A school district that uses building renewal monies for routine  
39 preventative maintenance shall use the building renewal monies to supplement  
40 and not supplant expenditures from other funds for the maintenance of school  
41 buildings. The auditor general shall prescribe a method for determining  
42 compliance with the requirements of this subsection. A school district, in  
43 connection with any audit conducted by a certified public accountant, shall  
44 also contract for an independent audit to determine whether the school  
45 district used building renewal monies to reduce the school district's

1 existing level of routine preventative maintenance funding. The auditor  
2 general may conduct discretionary reviews of a school district that is not  
3 required to contract for an independent audit.

4 N. For the purposes of this section:

5 1. "Primary projects" means projects that are necessary for buildings  
6 owned by school districts that are required to meet the academic standards  
7 listed in the database maintained pursuant to subsection F of this section  
8 and that fall below the minimum school facility adequacy guidelines, as  
9 adopted by the school facilities board pursuant to section 15-2011.

10 2. "Routine preventative maintenance" means services that are  
11 performed on a regular schedule at intervals ranging from four times a year  
12 to once every three years and that are intended to extend the useful life of  
13 a building system and reduce the need for major repairs.

14 3. "Secondary projects" means all projects that are not primary  
15 projects.

16 4. "Student capacity" has the same meaning prescribed in section  
17 15-2011.